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April 21, 2015

Honorable Sen. John Fonfara and Rep. Jeffery Berger, Co-Chairs  
Finance, Revenue and Bonding Committee  
Legislative Office Building, Room 3700  
Hartford, CT 06106

RE: Testimony on SB1136

Dear Co-Chairs Fonfara and Berger:

As executive director of the Lower Connecticut River Valley Council of Governments, I would like to comment on Senate Bill 1136, "An Act Concerning Property Tax Reform." I would like to commend the Finance, Revenue, and Bonding Committee on this bill, as another way to address car taxes and funding regional services, without resorting to a regional mill rate. My chief elected officials voted unanimously to oppose the state car tax and regional property taxation proposals in SB1, and SB1136 is a good replacement.

I have a few questions and suggestions for how the bill's language could be clarified:

- Residents of many municipalities are within multiple taxing jurisdictions (municipality, fire district, borough, etc.). For example, Middletown's mill rate is under 35, but when the other special district taxes are included, some residents pay 40 mills on their cars. Would this bill lower these residents' aggregate car taxes to 35 mills? If so, how would the cut be split among the taxing jurisdictions? My suggestion is that the bill be clarified to apply the 35 mill car tax cap to individual taxing authorities, to avoid this issue.
- The spending priorities of the Municipal Revenue Sharing Account (MRSA) are unclear. It would be helpful if a hierarchy of funding priorities and regional funding formulas were outlined in the bill. As currently written, OPM would have full discretion to decide if and what regions are funded in any particular year. It will be difficult to get regional shared services and facilities off the ground if funding is not predictable.
- There is no guarantee that a municipality affected by the car tax cap would make up lost revenue with savings from MRSA-funded regional services and facilities. The bill should identify a source of funds to keep municipalities whole. This would avoid forcing the municipalities with the highest property taxes to raise mill rates on other property, further disadvantaging their economic development and revitalization efforts.

Overall, I would like to thank the members of the committee for showing leadership in tackling this incredibly tough but important topic. Please do not hesitate to contact me if I can be of any assistance.

Sincerely,

Samuel S. Gold, AICP